

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

**State Capitol, Room 113
Sacramento, CA**

**Minutes of Meeting
March 23, 2006**

COMMISSIONERS PRESENT

Cathie Bennett Warner
Michele Burton, M.P.H.
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Nancy McFadden

CMAC STAFF PRESENT

Keith Berger, Executive Director
Enid Barnes
Paul Cerles
Denise DeTrano
Holland Golec
Ina Pewitt
Steve Soto
Michael Tagupa
Mervin Tamai
Carol Tate
Karen Thalhammer

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Toby Douglas, Department of Health Services

I. Call to Order

The March 23, 2006 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Cathie Bennett Warner. A quorum was present.

Commissioner Bennett Warner welcomed back Nancy McFadden to the Commission. Ms. McFadden was appointed by Governor Schwarzenegger, replacing Lynn Schenk.

On behalf of the Commission, Commissioner Bennett Warner expressed deepest sympathy to the family of Commissioner Marco Antonio Firebaugh. She stated that his untimely death is a great loss to the State.

Commissioner Hughes added that Commissioner Firebaugh utilized his legislative experience to proudly serve those in his community as well as other constituents throughout the State. She stated that he would be missed very much.

Commissioner Bennett Warner also indicated that she had spoken with the Governor's Office Appointments Secretary regarding the vacant positions within CMAC. It is anticipated that the Governor's Office would reach resolution regarding those positions within the next few weeks.

Commissioner Bennett Warner added that the Governor's Office Appointments Secretary would be contacting both the Senate and Assembly appointing authorities to discuss concerns relating to the Commission's quorum issue.

II. Approval of Minutes

The March 9, 2006 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

On behalf of the CMAC staff, Executive Director Keith Berger, extended condolences to the family of Commissioner Marco Antonio Firebaugh. Mr. Berger stated that CMAC staff would advise all Commissioners of the funeral service arrangements as soon as the information was made available.

Mr. Berger also welcomed back Commissioner McFadden to the Commission and looked forward to working with her again.

The Executive Director reported that, at the last CMAC meeting on March 9, the Commission requested that CMAC staff move forward as quickly as possible to begin the negotiation process for the Distressed Hospital Fund. Mr. Berger indicated that the Commission wanted to maximize the opportunity for eligible Selective Provider Contracting Program (SPCP) hospitals to be considered for financial assistance from the Distressed Hospital Fund.

In response to those requests, Mr. Berger reported that CMAC staff mailed out letters along with a schedule on March 10, 2006 to all SPCP contracting hospitals. A copy of the letter and schedule can be obtained on the CMAC website or by contacting the CMAC office. Mr. Berger added that courtesy copies of the letter and schedule were also provided to the various hospital associations and to legislative staff for their information. Although CMAC staff has already received some proposals, the deadline for hospitals to submit proposals is at 5:00 p.m. on Monday, March 27, 2006.

In regard to the Private Hospital and the Nondesignated Public (District) Hospital Supplemental Funds (Round 1B), Mr. Berger reported that proposals have been received from all eligible hospitals and that the negotiation process had been initiated by CMAC staff. He stated that the next three weeks should generate significant progress toward finalizing the distribution of the discretionary dollars available in these funds. It is still the intent of CMAC staff to complete all hospital negotiations and recommend amendments for action by the Commission at the April 27, 2006 meeting.

Continuing his report, Mr. Berger stated that there were ten amendments and contracts for Commission action in closed session at this meeting, as well as various updates and further discussions relating to current negotiations and negotiation strategies.

Mr. Berger reminded members of the Commission who have not yet filed that the Statement of Economic Interests (Form 700) is due to the Fair Political Practices Commission by the end of this month.

IV. Department of Health Services (DHS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, DHS, provided an update on the hospital-financing waiver. He reported that \$186 million in advance payments were made to the nine public hospitals that had requested financial assistance. In addition, on March 20, the State distributed approximately \$400 million in safety net care pool fund payments to the 23 designated public hospitals.

Mr. Douglas indicated that DHS staff would be resubmitting the three State Plan Amendments (SPA) related to hospital financing to the Centers for Medicare & Medicaid Services (CMS). These amendments would include the following: new inpatient per diem rate for public hospitals, disproportionate share hospital program, and supplemental reimbursements for physician, interns and residents and non-physician practitioners.

Mr. Douglas reported that DHS had submitted the three SPAs. It is expected that the SPAs for both the inpatient rates and disproportionate share program will be expedited through CMS. However, Mr. Douglas anticipated that CMS might raise additional questions about the third submitted SPA relating to physician services. This would require DHS to submit additional responses to get this third SPA approved.

Concluding his report, Mr. Douglas indicated that the State is continuing to provide emergency prescription drugs through the middle of April for dual-eligible beneficiaries who are unable to obtain their prescriptions through Part D of the Medicare program. State legislation allows the Governor to extend the emergency drug program through the middle of May but a decision regarding this additional 30-day extension has not been made at this point. He indicated that there are ongoing issues that have yet to be resolved relating to Part D of the Medicare program for dual-eligible beneficiaries.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Commissioner Bennett Warner recessed the open session. Commissioner Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.